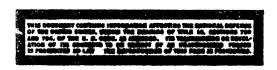
CENTRAL INTELLIGENCE AGENCY REPORT INFORMATION REPORT CD NO. 25X1 COUNTRY Austria/USSE DATE DISTR. 10 June 1955 SUBJECT Soviet Centrol of Danube Shipping NO. OF PAGES PLACE . NO. OF ENCLS. ACQUIRED 25X1 DATE OF SUPPLEMENT TO INFO. REPORT NO.

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CLASSIFICATION



THIS IS UNEVALUATED INFORMATION

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- The Soviet DDSG Shipping Company is under the general supervision of the Soviet Ministry for Inland Shipping Outside the USSR, with headquarters in Moscow. The person who handles all nautical matters for this Ministry is Kuprianov (fnu), believed to be a deputy minister; he is authorized to make decisions outside of Moscow without prior clearance from the Ministry. 1 This Ministry formerly had jurisdiction over the Soviet interests in Sovrom and Meszhart, and still controls the SDGP (Sovietkoye Dunaiskaoye Gosudarstvennoye Parokhodstvo) and Inflot, the Soviet Shipping agency with headquarters in Odessa and branches in Bucharest and Budapest. The director of the Soviet DDSG is Ivan Kononov.
- The Planning Section of the Soviet DDSG, which is entirely staffed with Russians, submits at the end of the second quarter of each year a budget estimate to Moscow. Before the budget is submitted to Moscow, the planning sections usually make cuts in the estimates submitted by the various departments of the Soviet DDSG. The one Soviet DDSG department whose budget can be changed by Moscow only is that which handles personnel strength and wages. After Moscow has approved the budget, an account for the approved yearly expenditures is set up by the Soviet Military Bank in Vienna, in Austrian schillings. Once the account is established, disbursements within the amounts authorized for each major item may be made. To obtain approval from Moscow for budget amendments requires several months. Approval to transfer surplus amounts from one item of the account to another, however, takes only one month.
- The Soviet DDSG is not paid in cash for hauling goods to the USSR or Satellite countries, but is credited with its earnings under a clearing arrangement with Sovfracht, whose headquarters is at Moscow. For example, the Soviet DDSG is debited about 60,000 to 70,000 schillings when another company's tug hauls an empty DDSG barge from Vienna to Reni. The barge returning from Reni to Hungary with a full load of bauxite earns a credit of about 100,000 to 120,000 schillings. At the end of the year, Sovfracht clears and balances all transactions between Soviet-controlled companies, e.g. Inflot, Soviet DDSG and SDGP, as well as participating companies, e.g. Mahart and Navrom. Sovfracht calculates all transactions in rubles, at a rate established separately for each currency involved. The Sovfracht clearing rate for Austrian schillings is two schillings to one ruble.

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| which | h is believed to be a rough approximation of purch | asing power parity. |
| earn accepthis use would Konoo the furt | f April 1955, the Soviet DDSG was the only shipping schilling balances; all others were instructed the pt ruble credit balances with Sovfracht. Mahart, a arrangement, has offered to rent its tankers to the in the Vienna-Remi traffic. Earned schilling credit be earmarked for Mahart repairs at the Korneuburg mov, of the Soviet DDSG, visited Budapest on 8 and details of this proposal, but it is rumored that ther pursued in view of the probably short duration Soviet DDSG.3 | at they would have to which would not accept he Soviet DDSG for its from this rental g shipwards. Ivem 9 April, to negotiate he matter will not be of Soviet control over 25X1 |
| , | Comments To 1000 Manual and an accordant Advantage and a | 25X1 |
| Shor | Comment. In 1950, Kuprianov was Soviet director tly thereafter, Kuprianov went to Moscow to take his | |
| and de Maha: the it wor | Comment. On about 1 April, Mahart had completed for sizable expenditures in the construction of the floating repair dock recently completed at the Kort wants the Korneuburg shippards to install the me "Komarom", whose hull is being completed in Budaperuld spend, during 1955/56, several million schilling at Korneuburg. | be Mahart vessel "Komarom" orneuburg shipyards. otor in a sister ship of st. Mahart estimated that |
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